



House of Representatives

General Assembly

File No. 303

January Session, 2013

House Bill No. 6547

House of Representatives, April 2, 2013

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING ENTERPRISE RISK REPORTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (1) of subsection (f) of section 38a-135 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (f) (1) [On June 1, 2013, and annually thereafter, the] The ultimate
5 controlling person of each insurance company subject to registration
6 under this section shall file an annual enterprise risk report in a form
7 and manner prescribed by the commissioner. [Such] Beginning in 2014
8 and annually thereafter, the report shall be filed by June first for the
9 previous calendar year. The annual enterprise risk report shall
10 identify, to the best of such person's knowledge and belief, the material
11 risks within the insurance holding company system that could pose
12 enterprise risk to the insurance company. The report shall be filed with
13 the lead state commissioner as determined by the procedures in
14 NAIC's applicable financial analysis handbook. Such report shall (A)
15 be confidential by law and privileged, (B) not be subject to disclosure

16 under section 1-210, (C) not be subject to subpoena, and (D) not be
17 subject to discovery or admissible in any civil action. The
18 commissioner shall not make such report public without the prior
19 written consent of the ultimate controlling person that filed such report
20 unless the commissioner, after giving the ultimate controlling person
21 and the insurance company to which such report pertains and its
22 affiliates within the insurance holding company system who would be
23 affected thereby notice and opportunity to be heard, determines that
24 the interests of policyholders, securityholders or the public will be
25 served by the publication thereof, in which event the commissioner
26 may publish all or any part thereof in such manner as the
27 commissioner may deem appropriate. The commissioner may use such
28 report in the furtherance of any regulatory or legal action brought as
29 part of the commissioner's official duties.

This act shall take effect as follows and shall amend the following sections:

| | | |
|-----------|---------------------|---------------|
| Section 1 | <i>from passage</i> | 38a-135(f)(1) |
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INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

This bill adjusts the reporting calendar for enterprise risk reports. As it concerns private insurance reporting, there is no fiscal impact.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 6547*****AN ACT CONCERNING ENTERPRISE RISK REPORTS.*****SUMMARY:**

This bill delays, from June 1, 2013 to June 1, 2014, the date when insurers must file their first enterprise risk reports. By law, in certain cases, the person who ultimately controls an insurance company must file an annual enterprise risk report with the insurance commissioner. This risk includes any circumstances involving one or more affiliates of an insurer that may harm its financial condition or liquidity or that of its holding company system.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 18 Nay 0 (03/14/2013)